The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the September 18, 2015 regular business meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Governor's Office of Agricultural Policy, 404 Ann Street, Frankfort, Kentucky 40601.



Kentucky Agricultural Development Board
Summary Minutes of the Regular Business Meeting
Franklin County Cooperative Extension Office
Frankfort, Kentucky
September 18, 2015

Call to Order

Commissioner James Comer, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:15 a.m. (EDT)

Roll Call

The following members were present: Dr. Betty Bailey, Roy Collins, Wayne Mattingly, Pat Henderson, Jim Sidebottom, Troy Rankin, Don Goodin (designee for Secretary Larry Hayes), Karen Curtis, Sam Moore, KSU President Raymond Burse, Dean Nancy M. Cox, Jim Mahan, Jamie Link (designee for Governor Steven L. Beshear), and Commissioner James R. Comer.

Members absent: Wayne Hunt, Sam Lawson.

Notification of Media

Commissioner Comer received verification from Angela Blank, GOAP Director of Public Affairs/Public Relations, that the media had been notified of the KADB monthly meeting.

Welcome.

Commissioner Comer welcomed everyone to the meeting and updated the board regarding the activity of the Kentucky Department of Agriculture.

Approval of Minutes

Commissioner Comer entertained a motion to approve the minutes of the August 21, 2015 board meeting.

Dr. Bailey moved to approve the minutes, as presented; Mr. Henderson seconded the motion.

VOTE: Motion Passed; Unanimous.

Executive Directors Report

Commissioner Comer yielded the floor to Roger Thomas, GOAP Executive Director, to give his report to the board.

Mr. Thomas updated the board regarding the activities of GOAP staff since the last board meeting.

Mr. Thomas called on Bill McCloskey, GOAP Director of Financial Services, to review the Kentucky Agricultural Finance Corporation (KAFC) Statement of Financial Position (on file with the Boards Coordinator) as of August 31, 2015.

After the review, Mr. McCloskey announced that the next scheduled KAFC Board meeting will be held on Friday, October 2, 2015, at 10:00 a.m. (EDT) in the Culton Suite of the E. S. Good Barn on the University of Kentucky campus in Lexington, Kentucky.

Mr. Sidebottom moved to accept the KAFC Financial Report; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous.

Mr. Thomas referenced a memo (on file with the Boards Coordinator) from Angela Blank, Director of Public Affairs/Public Relations, summarizing the value of the Kentucky Broadcasters Association Public Education Partnership (PEP) program for July 2015.

Mr. Thomas called on Aleta Botts, Executive Director, Kentucky Center for Agricultural and Rural Development (KCARD), and John McCauley, USDA Farm Service Agency (FSA) State Executive Director, to update the board regarding the activities of their organizations since the last board meeting.

Presentations

Commissioner Comer yielded the floor to Sandra Gardner, GOAP Director of Compliance & Outreach, to introduce presentations.

Ms. Gardner introduced Kelley Yates, Executive Director of the Kentucky Sheep & Goat Development Office, Inc. Ms. Yates gave a *presentation (PowerPoint on file with the Boards Coordinator)* updating the board on the activity of her organization. The presentation satisfied a reporting requirement for project A2014-0001.

Ms. Gardner introduced Theresa Zawacki, Louisville Metro Government Senior Policy Advisor to Louisville Forward. Ms. Zawacki gave a *presentation (PowerPoint on file with the Boards Coordinator)* updating the board regarding the Louisville Farm to Table Program. The presentation was given to partially fulfill reporting requirements for project A2014-0086 to receive second year funds.

After discussion, Mr. Thomas notified the board that the annual report for project A2014-0086 was not due until September 19, 2015, and would be distributed to board

members prior to the October 16, 2015 KADB meeting. During the October KADB meeting the board will have the opportunity to make a decision regarding A2014-0086's second year funding.

Compliance Report

Commissioner Comer yielded the floor to Ms. Gardner to present the following memo action items:

GOAP Compliance Policies Proposed Revisions

Ms. Gardner presented a memorandum (on file with the Boards Coordinator) outlining proposed revisions to GOAP Monitoring & Compliance Policies.

The proposed changes outlined in the memorandum were recommended for approval by the Compliance Committee.

Mr. Goodin moved to approve the committee recommendation, as presented; Mr. Rankin seconded the motion.

VOTE: Motion Passed, Unanimous.

Forgivable Loans

Ms. Gardner yielded the floor to Brian Murphy, GOAP General Counsel, to present a memorandum (*on file with the Boards Coordinator*) regarding eight (8) loan recipients who have been unable to earn forgiveness or repay the outstanding balance of their loans before ceasing operations.

The Compliance Committee recommended that the eight (8) loans be written off and that the Authorized Representative for each of the projects be permanently barred from receiving funding from either the KADB or KAFC for life, or until such time the balance of the loan is repaid in full.

After discussion, Mr. Mattingly moved to accept the committee recommendation and to require that regular meetings of the Compliance Committee be held in the future; Dr. Bailey seconded the motion.

VOTE: Motion Passed, Unanimous.

Old Business

Memo Action Items

Commissioner Comer called on staff to present the following memo action items:

A014-0061 Shelby County Cooperative Extension Service

Biff Baker, Project Manager, presented a memorandum *(on file with the Boards Coordinator)* regarding the above-referenced project. The Recipient requested a reallocation of \$250 from the booth space category to the signage category, and a 2-

month no-cost time extension to their Legal Agreement. The new deadline to complete the project will be November 10, 2015.

Staff recommended approval of the request presented in the memorandum.

Mr. Moore moved to approve the staff recommendation, as presented; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous.

On-Farm Energy Efficiency Incentives Program Time Extensions

Mr. McCloskey presented a memorandum (on file with the Boards Coordinator) from Angie Justice, GOAP Energy Programs Manager, regarding On-Farm Energy Efficiency Incentives Program application numbers A2014-0216, A2014-0229, and A2014-0235. The Recipients requested that the deadline for the completion of their projects be extended from December 30, 2015, to March 30, 2016. Financial restrictions and inclement weather contributed to delays in completion.

Staff recommended approval of the request presented in the memorandum.

Mr. Rankin moved to approve the staff recommendation, as presented; Ms. Curtis seconded the motion.

VOTE: Motion Passed; Unanimous.

New Business

New Applications for Referral¹

Commissioner Comer called on Mr. Thomas to present new applications for referral.

Mr. Thomas referenced two (2) applications for referral.

Dr. Bailey moved to refer the submitted applications to the Blue Application Review Committee; Mr. Mattingly seconded the motion.

VOTE: Motion Passed; Unanimous.

Programs Recommended for Approval²

Commissioner Comer called on Mr. Thomas to present the programs recommended for approval.

Mr. Thomas referenced seven (7) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$1,643,942; and one (1) Shared-Use

¹ A detailed list of New Applications for Referral is attached as Appendix A.

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² A detailed list of projects funded under the County Agricultural Investment Program and Deceased Farm Animal Removal Program is attached as Appendix B.

Equipment Program application requesting county funds totaling \$55,500. Total program funding requested \$1,699,442.

Ms. Curtis moved to approve the program recommendations, as presented; Mr. Rankin seconded the motion.

VOTE: Motion Passed; Unanimous.

Requested Program Amendment³

Commissioner Comer called on Mr. Thomas to present a requested program amendment.

Mr. Thomas referenced one (1) CAIP Amendment requesting additional county funds totaling \$25,000.

Mr. Sidebottom moved to approve the program amendment, as presented; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous.

On-Farm Energy Programs Recommended for Approval⁴

Commissioner Comer called on Mr. McCloskey to present the On-Farm Energy Programs recommended for approval.

Mr. McCloskey referenced twenty-one (21) applications requesting a total of \$180,197 recommended for funding by the Energy Committee at its September 2, 2015 meeting.

Ms. Curtis moved to approve the committee recommendation, as presented; Mr. Mahan seconded the motion.

VOTE: Motion Passed; Unanimous.

On-Farm Energy Programs Recommended for No-Funding⁵

Commissioner Comer called on Mr. McCloskey to present the On-Farm Energy Programs recommended for no-funding.

Mr. McCloskey referenced two (2) applications recommended for no-funding by the Energy Committee at its September 2, 2015 meeting.

Mr. Mattingly moved to approve the committee recommendation, as presented; Mr. Goodin seconded the motion.

VOTE: Motion Passed; Unanimous.

³ A detailed list of County Agricultural Investment Program amendments is attached as Appendix C.

⁴ A detailed list of On-Farm Energy Programs Recommended for approval is attached as Appendix D. ⁵ A detailed list of On-Farm Energy Programs Recommended for no-funding is attached as Appendix E.

On-Farm Energy Program Presentation

Commissioner Comer yielded the floor to Mr. McCloskey to present an activity summary of the On-Farm Energy Efficiency & Investment Program (*PowerPoint on file with the Boards Coordinator*).

At the conclusion of his presentation Mr. McCloskey announced that a request to continue the On-Farm Energy Program in 2016 will be presented to the board at the October 16, 2015 KADB meeting.

Project Recommendations for Funding

Commissioner Comer called on Dr. Luther Hughes, Project Manager, to present the following recommendations for funding:

A2015-0158 Boys & Girls Club of Franklin-Simpson, Inc.

Dr. Hughes referenced the above application from Boys & Girls Club of Franklin-Simpson, Inc, requesting \$2,650 in Simpson County funds for a garden project in Franklin, Kentucky.

The White Application Review Committee recommended funding the request for up to \$2,650 in Simpson County funds, subject to terms and conditions.

After discussion, Mr. Rankin moved to approve the committee recommendation; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous.

Dr. Hughes stated that GOAP staff will be developing guidelines for a garden pilot project in anticipation of future project applications relating to community gardens.

A2015-0167 Woodford County High School

Dr. Hughes referenced the above application from Woodford County High School requesting \$5,000 in Woodford County funds to purchase shop equipment, tools, and electrical upgrades.

The White Application Review Committee recommended funding this request for up to \$5,000 in Woodford County funds, subject to terms and conditions.

Mr. Moore moved to approve the committee recommendation; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous.

Pending Applications

Commissioner Comer called on Joel Neaveill, GOAP Chief of Staff to review the following pending applications:

| A2015-0081 | Center for Appalachian Philanthropy/Kentucky Market Fresh |
|------------|---|
| A2015-0143 | Franklin County Conservation District |
| A2015-0148 | Breckinridge County Extension District Board |
| A2015-0149 | Kentucky State University |

No action necessary.

Closing Remarks

Commissioner Comer thanked the board members for their work.

Adjournment

Commissioner Comer entertained a motion to adjourn.

Ms. Curtis moved to adjourn the September KADB meeting; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous.

The KADB meeting adjourned at 12:18 p.m. (EDT).

APPROVED DATE:

PRESIDING OFFICER:

BOARD SECRETARY:

Ray Arnold

Appendix A: New Applications for Referral

| APP# | APPLICANT | COUNTY |
|------------|---|--------|
| A2015-0191 | Knotty Corner Cafe LLC Equipment for Market and Cafe | Knott |
| A2015-0192 | Kentucky Center for Agriculture and Rural Development Technical Assistance to Agribusiness | Hardin |

Appendix B: Programs Recommended for Approval

| CAIP | | | |
|-------------|--|----------|-----------------|
| Application | Program Administrator | County | Funds Requested |
| A2015-0184 | Barren County Conservation District | Barren | \$400,000.00 |
| A2015-0185 | Monroe County Conservation District | Monroe | \$185,247.00 |
| A2015-0187 | Whitley County Cattlemen's Association, Inc. | Whitley | \$38,764.00 |
| A2015-0188 | Owen County Farm Bureau, Inc. | Owen | \$400,000.00 |
| A2015-0189 | Gallatin County Livestock Association, Incorporated | Gallatin | \$119,931.00 |
| A2015-0190 | Woodford County Agriculture Advancement Council, Inc. | Woodford | \$250,000.00 |
| | · | | \$1,393,942.00 |

| Shared-us | e Equipment | | |
|-------------|-------------------------------------|--------|-----------------|
| Application | Program Administrator | County | Funds Requested |
| A2015-0186 | Monroe County Conservation District | Monroe | \$55,500.00 |
| | | | \$55,500.00 |

Total County Funds Recommended for Approval in Programs: \$1,449,442.00

September 18, 2015

Appendix C: Requested Program Amendments

App#

A2015-0136

Applicant Name

Adair County Cattlemen's Association, Inc.

Original Amount Approved

\$265,000

Execution Date

8/11/15

Requested Change

The applicant requests an additional \$25,000 in Adair County funds for the CAIP program. The request received a high priority from the Adair County Council.

This is the first request for an amendment to this application number. The term of the program shall remain 12-months from the execution date

of the original agreement.

Approval of this request would bring the program total to \$290,000.

Recommend Approval

Appendix D: On-farm Energy Programs Recommended for Approval

| APP# | APPLICANT The second contract of the contract | COUNTY | FUNDS REQUESTED |
|-------------|--|----------------------|--------------------|
| A2015-0132 | McGowan and Son Dairy Dairy Production - Total Project Cost - \$26,000.0 | Russell O | \$6,000,00 |
| A2016-0164 | John Shocklee Pouliny Production - Total Project Cost - \$33.630. | McLean <i>0</i> 0 | \$10,000.00 |
| A2015-0155 | Denney's Poultry Farm Paultry Production - Total Project Cost - \$20,000. | Glinton aa | \$10,000.00 |
| A2015-0156 | Scenic Ridge Farms, Inc. Poullry Production - Total Project Cost - \$35,800. | Graves 00 | \$10,000.00 |
| A2015-0157 | Magnolia Grain & Stock Farm, LLC Grain Production - Total Project Cost - \$67,772.00 | LaRue) | \$10,000.00 |
| A2016-0169 | Marksberry Poultry Farms LLC Pouliny Production - Total Project Cost - \$79,880.0 | Ohlo 20 | \$10,000.00 |
| A2015-0160 | Charles Myatt Poultry Production - Total Project Cost - \$31,889.0 | Bellard 70 | \$10,600.00 |
| A2015-0161 | Hayden Farms LLC Poultry Production - Total Project Cost - \$15,104.0 | Davless 0 | \$7,652.00 |
| A2015-0162 | James E, Smith Poultry Production - Total Project Cost - \$36,725.0 | Graves O | \$10,000,00 |
| A2016-0163 | Mims, Inc. Poultry Production - Total Project Cost - \$129,146. | Clinton 60 | \$10,000.00 |
| A2016-0166 | Reding Farms, Inc. Grain Production - Total Project Cost - \$350,357.04 | Nelson Q | \$10,000.00 |
| A2016-0168 | Backwoods Broller, Inc. Poultry Production - Total Project Cost - \$36,860.0 | Hopkins O | \$10,000.00 |
| .A2015-0175 | Rudy Ball & Son Dairy Production - Total Project Cost - \$8,550.00 | Marlon | \$4,275.00 |
| A2015-0176 | Peden Dairy Dairy Production - Total Project Cost - \$18,217.00 | Barren | \$9,109.00 |
| A2015-0177 | Brian K. Peake Dairy Production - Total Project Cost - \$19,217.00 | Taylor | \$9,608.00 |
| A2015-0178 | Tri-mast Dairy Dairy Production - Total Project Cost - \$14,433.00 | Marion | \$7,217,00 |
| A2015-0179 | Smith Brothers Dairy Dairy Production - Total Project Cost - \$8,650.00 | Washington | \$4,276.00 |
| A2015-0180 | Coleman Crest Dairy Deiry Production - Total Project Cast - \$25,000.00 | Marion | \$10,000.00 |
| A2016-0181 | Farmer Joe's, LLC Livestock Production - Total Project Cost - \$4,390.0 | Mercer 0 | \$2,195.00 |

Appendix D: On-farm Energy Programs Recommended for Approval

| APP# | APPLICANT | COUNTY | FUNDS REQUESTED |
|------------|--|---------|--------------------|
| A2015-0182 | James D. Hartline Poultry Production - Total Project Cost - \$30,318.00 | Hopkins | \$10,000.00 |
| A2015-0183 | Billy Keith Long Dairy Production - Total Project Cost - \$19,931.00 | Barren | \$9,966,00 |

Total State Funds Recommended for Approval in Program: \$180,197.00

Appendix E: On-farm Energy Programs Recommended for No Funding

| APP# | APPLICANT | COUNTY | FUNDS REQUESTED |
|------------|-------------------------------------|-------------------|-----------------|
| A2015-0153 | Rowe Farms, Inc. | Adair | \$9,900.00 |
| | Dairy Production - Total Project Co | ost - \$19,800.00 | |
| A2015-0164 | Long Dairy | Barren | \$10,000.00 |
| • | Dairy Production - Total Project Co | ost - \$24,314.00 | |